



Attorney General Jon Bruning

NEWS RELEASE

FOR IMMEDIATE RELEASE
Dec. 30, 2008, 3:40 p.m.

Contact: Leah Bucco-White
402-471-2067

Leah.bucco-white@nebraska.gov

Nebraska and 49 Other States Reach \$425 Million Settlement with Drug Maker

Nebraska Receives \$2.6 Million

Note: A sound bite on this topic is available at: <http://www.ago.ne.gov>

(Lincoln, Neb.) Attorney General Jon Bruning announced today that pharmaceutical manufacturer Cephalon paid more than \$2.6 million to the State of Nebraska. The settlement resolves allegations that Cephalon improperly marketed three of its drugs, Provigil, Gabitril and Actiq.

Provigil is used for sleep disorders. Gabitril is for seizure disorders. Actiq is a powerful pain killer used to treat cancer patients. Cephalon marketed these drugs for purposes other than those that had been approved by the Food and Drug Administration (FDA).

“Promoting drugs for uses that haven’t been approved by the FDA is illegal,” said Bruning. “These laws exist to protect the safety and health of Americans and it’s important for companies to follow them.”

Cephalon also settled similar claims with the other 49 states and the federal government for \$425 million, including a \$50 million criminal fine. The corporation will plead guilty in U.S. District Court to one misdemeanor count for violating the federal Food Drug and Cosmetic Act. Cephalon will also enter into a corporate integrity agreement with the U.S. Department of Health and Human Services, requiring strict scrutiny of its future sales and marketing practices.

The Department of Health and Human Services, the agency that runs the state’s Medicaid program, will receive \$334,906 of Nebraska’s settlement. \$669,812 will go into the state’s school fund, \$27,772 in interest will be prorated between the Medicaid program and the school fund, and \$1.6 million goes back to the federal government. The state’s Medicaid program is both state and federally funded.

The case was handled by the National Association of Medicaid Fraud Control Units and the Nebraska Medicaid Fraud and Patient Abuse Unit in the Attorney General’s Office.